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CUBA: LOVE AND SELF-RELIANCE

Grace Lee Boggs

THE WORLD ECONOMY, MARKET IMPERATIVES AND ALTERNATIVES

Gregory Albo

DEMOCRACY AND HUMAN RIGHTS: CHINA AND THE WEST

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Colin Barker on the recent essays of Ellen Meiksins Wood.

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NOTES FROM THE EDITORS

Some times small things happen and stay small and are soon forgotten. Other times small things happen, grow bigger, and become important. These rather banal musings were provoked by a story in the October 25th *New York Times*, under the heading "Podiatrists to Form Nationwide Union: A Reply to H.M.O.s." Podiatrists are a relatively small group of medical professionals, better known as foot doctors; there are about 14 thousand of them in the country, and in normal times their decision to form a union would probably be one of those small things that are soon forgotten.

But these are not normal times, certainly not in the health care scene which is in a state of chaotic change. What reason is there to think that in these circumstances the formation of a podiastrists' union could turn out to be an important development?

(Continued on inside back cover)

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CUBA: LOVE AND SELF-RELIANCE

by GRACE LEE BOGGS

I took William Smaldone's "Observations on the Cuban Revolution" (Monthly Review, April 1996) with me on my visit to Cuba last spring with the U.S./Cuba Labor Delegation. I believe that we would all benefit by discussions of the questions raised by Smaldone, who obviously supports the revolution. Did the thirty years of dependence on Soviet aid following the expulsion of U.S. power lead to over-centralization and over-dependency, e.g. on sugar production for foreign exchange and on grain-fed cows and chickens? Now that the Soviet Union has collapsed, would a continuation rather than an early end to the U.S. economic blockade give the Cubans time to develop more reliance on their own resources and thereby contribute to the long-term independence? If the Cuban people felt that they themselves, rather than the state, owned their homes and workplaces, would they feel more responsible for their upkeep?

This was my first visit to Cuba and it was only for a week. My sense was that the Cuban people, by recommitting themselves to the struggle for socialism, are beginning to recover from the crisis caused by the loss of Soviet aid. In the process they seemed to be creating an alternative vision for Third World countries and perhaps even for deindustrialized cities like Detroit which must now rebuild, redefine, and respirit themselves from the ground up.

Grace Lee Boggs is a long-time activist and writer, she is the co-author with James Boggs of *Revolution and Evolution in the 20th Century* (Monthly Review, 1974), Her Autobiography is due out next year from the University of Minnesota Press.

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The highlight of the visit was attending the 17th Cuban Trade Congress, the theme of which was *Se Puede Multos Juntos—Together We Can.* The Congress gave me a sense of how real and how spiritual the struggle for socialism is in Cuba, how it is energized not only by necessities of physical survival but by love and the profound conviction that by working together we can resolve our contradictions, create a better and more just world for ourselves and our children, and advance the evolution of the human race. It was awesome to watch the 1900 multi-colored Cuban delegates and the 900 black and brown revolutionaries from all over Latin America, women and men, listening intently so that they could take the message of revolutionary struggle back to their communities and homelands. The very thoughtful opening presentation was made by Pedro Rose Leal, who heads the Cuban Trade Unions. While stressing the need for discipline and efficiency, he also made clear that Cuba was going to continue on the socialist path because it refuses to accept the capitalist view that selfishness and individualism are an irrevocable part of human nature. Sitting next to him on the dais throughout was Fidel, clapping, smiling, frowning, and intervening when he felt like it. In a brief greeting the President of the World Federation of Trade Unions, based in Brazil, spoke of the priority which Cuba, in the midst of economic crisis, has given to health and education. He contrasted this with the desperate two-fold struggle by workers in the West for jobs and to defend their gains in health and education, the mushrooming individualism and violence throughout the capitalist world, and the millions of children reduced to hopelessness and prostitution in Latin America and Asia. "Today," he said, "Cuba remains as the free territory of America."

The reports by delegates from the field were mostly very concrete and nonrhetorical. For example, one young man, Amando from Guantanamo, described how he was able to produce milk for children in his area by building a mesh fence to corral some wild cows, recruiting some young people, and getting an old man to teach them how to milk. There was a delightful back and forth between Fidel and his brother Ramon (who looks like a somewhat absent-minded white-

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haired Fidel) debating whether it was better to use oxen ("take the bull by the horns") for the sugar harvest rather than tractors which compact the soil. At one point, after a delegate urged the development of more specialists, Fidel jumped in. "Everybody wants to be an intellectual, a university graduate," he said. "It is a vice, an invention of the devil. The Soviets built huge columns, consuming skills they could have used to build three factories [this was the only criticism I heard of the Soviet Union]. Who is going to plant potatoes, bury the dead, sweep the streets? In some schools they have a different janitor to wash the floors, the windows, the doors. There are at least 800 parts of the body. Do we need a specialist for each one?"

The Congress ended with a two and a half hour speech by Fidel. I felt enormously privileged to be watching the 70-year old bearded revolutionary, the only one of the great 20th century leaders who is still with us, still developing his ideas before our very eyes. He is still combining theory and practice, still keeping very clear Marx's concept of Socialism as a transitional stage to Communism (during which the workers in power develop the productive forces to produce the abundance needed to give to each according to his/her needs), but also emphasizing the communist spirit with which Socialism must be built. "What you are doing is Socialism," Castro told the delegates:

> What we defend is Socialism, the power of the people, the work of the revolution. We have already recovered morally, politically from the blow of six years ago. Over the past year issues of great importance have all been discussed. The entire island has been involved. A lot of ideas have come up, a lot of knowledge has been gained. At the same time a lot of work has been done—planting, greening. Seeking solutions of all kinds, we are doing three times what we used to do—despite the number of factories that have stopped operating, despite the fact that we can now make only 6 thousand bus trips a day where once we made 30 thousand. For transportation we had to get two million bikes and improvise bike factories. The concepts of efficiency and self-sufficiency, of accounting and control, of savings, the spirit of studying everything, have been instilled. The process of re-arranging the labor force, redimensioning the plants—we can speak of all these without shame, knowing that this has happened in no other place, at no other time in history, that it is contrary to what has been advised and done everywhere else.

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The IMF and neo-liberals try to balance budgets by cutting social services and schools without consulting anyone. In Cuba no measure was taken without consulting all the people, especially the workers. We have not laid off a single worker in health or education. Even the IMF is now talking about the need for social development because they realize the world is becoming a volcano, that we are on the brink of chaos and social outbursts. There is a dogfight over markets. Neo-liberalism, the globalization of the economy, the hegemonistic policies of the USA, the monopoly of all resources—these are all incompatible with any measure of social development. They actually don't know what is going to happen, but, convinced that the market will resolve everything, they still try to balance the budget by a brutal capitalism.

Meanwhile in Cuba we took strong measures to make sure that no one was left unprotected. Using revolutionary democratic methods, we re-appreciated our currency by one-half in one year. The state budget which had been 30 percent of the GDP was reduced to 5 percent. We were able to win the confidence of foreign investors. We must apply and expand our positive experiences, do with what we have, make better use of what we have, treasure the knowledge of our people, continue to live by the values we have developed during the revolution. We must improve a lot, gain greater knowledge, day by day, progress. We need more initiative, more creativity; we need to combine moral with material incentives. Our enemy hated us just because we have done what we consider to be more just and noble, because we want the very best not only for our people but for all the people in the world. That is why we are so proud and happy to call ourselves internationalists, socialists, communists.

The vision of self-reliance projected by Fidel is clearly an idea whose time has come for people all over the Third World, a combination of decentralization and centralization which offers an alternative to the capitalist road of economic development imposed by the IMF and the multinationals, which is causing such impoverishment and immiseration in Africa and Latin America.

In Detroit and other de-industrialized cities of North America, we increasingly face the choice between two roads of economic development. Is our only option developer-driven casino gambling, new sports stadiums, suburban-like subdivisions inside the city built for the middle class—all of which reinforce capitalist values and consumerism, thus breed-

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ing more crime and violence? Or can we struggle together to build cities that are more self-reliant, growing our own food and producing our own clothing and shelter in environmentally-friendly worker-owned and cooperative enterprises, thus internalizing the concepts of efficiency and self-sufficiency, accounting and control, and setting an example of productive work for our young people?

One night we went to a block party, and as the community activist in the delegation, I made a brief presentation. I said that I had to come to Cuba to learn how to make the revolution in the United States which would liberate people all over the world. I described the devastation in Detroit following our abandonment by multinational corporations and the struggles we are now engaged in to rebuild our communities and our cities. I said I wished that I could bottle the spirit of love of people, love of community, love of country that I found in Cuba and take it back with me.

The United States is not a developing Third World country, but we have much to learn from Cuba. In the first place, if we want to revolutionize our country, we must love it. As we used to say in the National Organization for an American Revolution, "Love America enough to change it." If we see ourselves as revolutionaries in the Black community, we must also invest the concept of Self-Determination, which is one of the seven principles of Kwanzaa, with a socialist, anti-capitalist perspective, as the Cubans do. My long-time friend and comrade, Dr. James Jackson, an African American and a member of the delegation, says that when the Cubans talk about Self-Determination they are talking about the unity, the solidarity, the collectivity that makes it possible to create a better world. Things aren't perfect but they are grappling with their contradictions and trying to resolve them. "I am tired of Black folks running around complaining about what we don't have and should have," he says, "instead of how we can work together to make things better. It is becoming a question of survival. We are at the point where if we don't move, we won't have any country, any society left. We can't resolve our contradictions by negativity, by complaining."

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THE WORLD ECONOMY, MARKET IMPERATIVES AND ALTERNATIVES

by GREGORY ALBO

In the crisis after 1974, social democratic governments like Sweden's and technologically ascendant countries such as Germany seemed to be moving in very different directions from other capitalist countries. Today, these divergent economic paths seem to be only alternate routes converging in neoliberalism. The world economy in the 1990s, everyone now seems to agree, accommodates only one model of development: export-oriented production based on flexible labor markets, lower real and social wages, less environmental regulation and freer trade. Neoliberal economic strategies are proposed for conditions as vastly different as those faced by the new ANC government in South Africa, the transitional economies of Eastern Europe, and the new center-Left coalition in Italy.

The Right, of course, has greeted these developments triumphantly. The Left has responded less with triumph than with resignation, but it still accepts them as inevitable. A stalwart American Liberal such as Robert Reich baldly concludes that "as almost every factor of production...moves effortlessly across borders, the very idea of an American economy is becoming meaningless."[1] Fritz Scharpf, a leading strategist of the German SDP, voices what is often a convention on the Left, that "unlike the situation of the first three postwar decades, there is now no economically plausible Keynesian

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strategy that would permit the full realization of social democratic goals within a national context without violating the functional imperatives of a capitalist economy."[2] Social democracy must rethink its traditional goals to accommodate the new imperatives. And from outside the traditions of social democracy, Perry Anderson despondently reports that "the future belongs to the set of [capitalist] forces that are overtaking the nation-state."[3]

Across a broad political spectrum, then, economic strategies have come to be based on the common premise that "there is no alternative," that "globalization is irreversible," and that economic success depends upon encouraging and enhancing this process. Neoliberals have fostered the movement to freer trade and deregulation of labor markets, arguing that overcoming the constraint of limited markets is the means to increase growth, remedy trade imbalances, and lower unemployment. The state needs to be forced to comply with the "laws" of the market. Social democrats differ from neoliberals only in their belief that there are specific constraints on the market that need to be surmounted—for instance, the constraints imposed by an insufficiently skilled workforce, which can be surmounted by training policies—to allow the harvest of globalization to be reaped.

On empirical grounds alone it is quite clear that the result of policies which advance globalization has been a series of economic failures, particularly increasing trade imbalances and mass unemployment. But the various proposals for correcting these failures and imbalances are deeply flawed not only empirically but also in their theoretical foundations—from neoliberal assumptions about the market, to Keynesian conceptions of market regulation, and social democratic variations on the theme of "shaped advantage." The problems of neoliberal theories are well known after two decades of these policies. The flaws in social democratic proposals have been less widely discussed. I want first to outline the theoretical flaws in the social democratic version of market regulation and then to argue that there are, in fact, alternatives for socialists even in capitalist societies.

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The common view that there is no alternative, that we must submit to the market and that the autonomous agency of the state has been diminished, is really based on circular reasoning. It is true only if we begin by accepting the social property and power relations that impose global market imperatives in the first place. But if we challenge this presumption, there are alternatives even within the existing social relations of power in capitalism.

The Illusion of Social Democracy

Economic processes occur in real historical time, not in the timeless space of neoliberal equilibrium models. These models assume that, for every economic imbalance, there is an immediate correction that will bring the economy back into balance. But in the real world, capitalist techniques and workers wage demands do not change instantly, as soon as there is excess labor supply; and a change in the value of currency does not necessarily bring about greater export demand or cause expenditures to be shifted from exports to domestic industry.

If Left economists generally acknowledge these flaws in the equilibrium model, beyond this very general agreement various stands of the Left part company. For Marxists these market instabilities arise from the inherent contradictions of capitalism, and they can be resolved only by transitional strategies of disengagement from market relations. Social democratic Keynesians on the other hand, believe that the market simply needs to be regulated to remove certain *specific* constraints which prevent capitalism from reaching the volumes of output associated with full employment.

If economic openness is irreversible and trade expansion is a foundation for prosperity, as the new conventional wisdom insists, social democratic economic policy is left with only one central question: how should national (or regional) competitiveness be created and maintained? Everything else—from macroeconomic policies to strategies for training and welfare—flows from this question.

Since markets are not perfect, social democratic theorists argue that the economy cannot be left to work itself out

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through free trade: states can and must help "shape advantage" to improve trade balances and competitiveness.[4] New industries, for example, often require protection before they can face import competition. Early entry into the market and increasing economies of scale can "lock in" market share before rivals gain a chance to develop. In this way, the technically superior BETA recorders lost out in the capitalist marketplace to the less capable VHS in the early 1980s.

In the social democratic view, then, it is imperative to have a strategic trade policy to get new products developed and into markets as quickly as possible. Since technological change is a continual process of building up technical skills, capacity, and entrepreneurship, a "technological dynamism" needs to be nourished. Countries that lose technological capacity suffer the economic misfortunes vividly exemplified by Britain's fall in world standing. In this case, every attempt to expand demand, instead of raising domestic output, has simply sucked in imports, and the economy has been forced to slow down in order to avert a balance-of-payments crisis. The result has been a vicious stop-go cycle, and this has discouraged investment, which requires stable growth. As a result, in the absence of new technical capacities, competitiveness has increasingly come to depend upon low cost production. In contrast, stronger competitors can continue to keep investment high in new techniques, thereby enhancing output capacity and competitive advantage.

The social democratic case for an industrial policy of shaped advantage has found particularly strong advocates in the economically declining powers of Britain, Canada, and the United States, as with popular writers like Will Hutton, Jim Laxer, Lester Thurow, and Robert Reich. In their view, a world economy of ever-increasing trade volumes affords ample market opportunities if the industrial successes of Japan, Germany, and Sweden can be replicated (and their failures ignored). Shaped advantage can resolve the problems of external trade imbalances and create a stable capitalism.

There are several competing social democratic positions—though to some extent they complement each other—on how shaped advantage can also resolve the internal

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imbalances of employment. The "progressive competitiveness" strategy emphasizes the effects of *external* constraints imposed by globalization. In a globalized market, what distinguishes one economy from another is the skills of its labor force and the nature of workplace relations. Training policies should, therefore, be the central component of a jobs and welfare strategy, while relationships of "trust" and co-operation should be fostered within enterprises.

The "shared austerity" strategy stresses the *internal* constraint of distribution relations. Full employment requires severe restraint on workers pay and consumption to keep exports competitive, investment high, and the state budget under control. Incomes policy has a role to play in spreading work through wage restraint and keeping unit labor costs down for exports.

Finally, the "international Keynesian" view maintains that removing constraints on the market simply requires the *political will* to shift expansionary policies from the national to the supranational level, where leakages to exports and capital outflows would be irrelevant. What is needed, according to this view, is international co-ordination of economic policy; and a "cosmopolitan democracy" imposed on global governance structures would legitimate that kind of international co-ordination.

All these variants of social democratic Keynesianism avoid the neoliberal illusion that free trade and deregulation of labor markets will resolve trade and employment imbalances. But they also have in common the conviction that constraints on the market are not general barriers to capital accumulation but just specific problems that can be resolved by judicious policy. This conviction is simply unsustainable for several reasons and cannot be the basis of an economic strategy for socialists.

The Market in the Real World

First, let us consider the problem of "internal" balance, the growing reserve army of the unemployed. Unemployment is regarded as a result of the relation between competitive capacity and the level of demand: the more "competitive" an

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economy becomes by improving its technical capacities, specifically by means of labor-saving technology, the less labor it needs to meet the same demand. So shaping advantage to improve technical capacity will *create* unemployment, unless there is an increase in total income—and hence an increase in demand—which would create a need for increasing total hours of work; yet unemployment itself tends to reduce total income and hence reduces demand. The strategy of "shaping advantage" to maintain high employment depends on increasing external trade in relation to domestic output, in order to make up for shortfalls in domestic demand by seeking markets elsewhere, so that employment can be created to meet these external demands. And as technological change continues, trade must continue to grow at an accelerating rate to generate a given level of employment and hours of work.

This strategy therefore requires some very delicate maneuvering, but such "knife-edge" balance becomes difficult to maintain when the strategy must be implemented in real historical conditions and in real historical time. Even in a stable world economy it would be quite fanciful to expect it all to work out. In a capitalism that is exhibiting the trade asymmetries and currency instability that exist today, it is quite impossible. Shaped trade advantage is no substitute for national and local employment policies that would constrain the capitalist market to deal with the unemployment crisis.

Second, it is just as unrealistic to assume that shaped advantage can resolve *external* imbalances. Indeed, the reliance on market adjustment may well make matters worse. Countries that succeed in maintaining export-led growth may be able to sustain the necessary balance between technological advance, external demand, and internal growth in employment. But deficit countries will have listless investment and faltering technological capacity. They will be forced to rely on "competitive" wages in order to try to resolve their trade imbalance. The pressures to compete by lowering labor costs are obvious in countries such as Britain and the United States, which have been suffering from structural deficits; but they also have become increasingly visible in cases like Germany and Japan which have enjoyed relatively constant trade sur-

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pluses. In Germany, for instance, the relatively "uncompetitive" costs of labor have in recent years been accompanied by unusually high levels of unemployment. In other words, uneven development and trade imbalances can be expected to persist. Countries (or regions) in this kind of competitive world economy must inevitably enter into an ever more intense battle over unit labor costs and employment.

Third, if shaped advantage has drawbacks for individual national economies, there are even greater contradictions in the system as a whole. As Marxists have often insisted, capitalism must be evaluated as a total system, not just by the relative success of some piece of the system which succeeds at the expense of others. Shaped advantage relies on export-led growth. Trading partners must leave their economies open while the country engaging in policies of shaped advantage improves its competitive position. An immediate problem arises: if the country whose market is to be penetrated responds with protectionism or its own shaped advantage policies, any trade and employment gains are wiped out.

If the actions of a single trading partner can create problems for the theory of shaped advantage, a world of many, if not all, countries seeking to shape advantage makes a shambles of social democratic economic policy. It is obvious that not all countries can have successful export-led economic strategies. As all countries cannot run trade surpluses to improve employment: some must incur deficits. Trade imbalances and unemployment will necessarily co-exist. Indeed, this has been the norm for the world economy over the economic history of capitalism. This is, in effect, what happened in the great crisis of the 1930s.

As the strategy of shaped advantage is pursued over time, and more countries are forced to adopt it or face balance-of-payments problems, every one can be left worse off. Indeed, as trade imbalances persist, there is every incentive for competition over unit labor costs to spread from improving productivity to more general austerity programs, *even* in technologically leading countries. Technological laggards must compete by means of lower wages to reduce unit costs or face a growing trade deficit. Paradoxically, this tends to

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undermine the foundations on which the successful policies of the *leading* economies are based: lower incomes in other countries deprive successful economies of growing markets, while their capacity to produce more output is increasing because of their technical advances and growing productivity. This means that technological leaders are eventually obliged to follow the losers or they will lose their own surpluses and suffer increased unemployment.

So even technologically advanced countries with an explicit policy of shaping advantage like Japan and Germany begin to feel the sting of "competitive austerity," while peripheral economies such as Ghana and Newfoundland eventually buckle and collapse from the exhaustion of a never-ending competitive spiral. The only possible winners are the fortunate few capitalists in societies which can combine cheap labor with technological capacity so that rates of exploitation can be maintained. But social democrats would concede that Korea and Malaysia are not particularly desirable economic models. For the capitalist system as a whole, therefore, the social democratic strategy of unplanned external trade based on shaped advantage policies is not much better than neoliberal free trade, and equally capable of increasing economic instability.

Fourth, if we add the real world condition of massive capital mobility, the social democratic case for shaped advantage is weakened even further. Shaped advantage requires long-term planning and thus what social democrats call "patient capital." Yet the more global the economy becomes, the greater will be the uncertainty and risk of investment, so financial capital in a global market is increasingly driven by short-term demands for profit and liquid assets as a hedge against risk. Global financial markets therefore pose an obstacle to industrial policy. If there is instability and thus increasing risk and uncertainty, financial capital will be even less willing to be tied to the long-term investments necessary to increase capacity in export industries.

Keynesian economics has always acknowledged that there is a mismatch between the time horizons of financial and industrial capital: where the latter requires long-term

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investment, the former thrives on short-term profit. Capital mobility and floating exchange rates in a world economy raise this problem to an entirely new level. So the traditional socialist argument that democratizing financial capital is a necessary condition for political alternatives is now more important than ever.

But something more, and different, is needed than the "democratic" structures of international governance advocated by social democrats of the "international Keynesian" variety. These structures would not go to the heart of the problem. They are not, for example, designed to restrict capital mobility. More democratic international institutions of the kind envisaged by international Keynesians would do little more than confer a greater political legitimacy on the existing global economy formed by internationalized capital movements. To do more than that would require giving up the very assumptions on which the social democratic strategy of shaped advantage is based. It would require abandoning the consensus that globalization is irreversible and that the capitalist market is essentially efficient.

Similarly, international Keynesianism must assume that the world market suffers only from a specific, and soluble, problem of adequate demand. Yet stimulating global demand to reduce unused capacity is likely only to compound existing trade imbalances. It will do nothing to clear these imbalances. Neither will it reverse unemployment in economically declining regions such as Atlantic Canada which lack industrial capacity (or whose advantage in natural resources has already been wiped out by the competitive game, as in the Atlantic fishery), nor reverse the cheap labor strategies adopted in, say, Alabama.

Moreover, the capitalist market imperatives of competition prevent the co-operation necessary for international relations. How do you encourage co-operation when it is always possible to achieve better trade balances and rates of employment by cheating—through import restraints, cheap currency, or austerity—before your competitor does? The world can stand only so many Swedens of competitive devaluations,

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Japans of import controls, or Germanys of austerity shaping advantage to prop up export surpluses and employment.

If economic efficiencies can be achieved by industrial policy, it can only be by means of trade regimes that plan trade and control capital mobility. Social democratic economic policy for national competitiveness through shaped advantage simply rests on the indefensible assumption that globalization is irreversible, that market imperatives require the global economy to be maintained as it is, and that, even if the planet is ravaged by endless economic growth, there is no other way of sustaining employment. These assumptions cannot be the basis of a socialist economic strategy.

The Myths of Globalization

The internationalization of capitalism no doubt accentuates the imperatives of the market and places certain limits on socialist economic policy. Yet the only thing that obliges us to conclude that there is no alternative to international competitiveness is the *a priori* (and unexamined) assumption that existing social property relations—and hence the structural political power sustained by these relations—are sacrosanct.

Even *The Economist* seems to concede this point. This highly respected mouthpiece of neoliberal dogma has said that the "powerless state" in the global economy is simply a "myth" and that governments have "about as many economic powers as they ever had."[5] The notion that the nation-state at one time, before globalization, acted as the center of social power and the regulator of economic activity, and that it is no longer capable of doing so today, is fundamentally misleading. The process of world market formation together with the "international constitutionalism of neoliberalism has taken place through the agency of states."[6]

This does not mean that the imperatives of competition in a world market have not lessened the autonomous agency of individual capitalists or states. The NAFTA, Maastricht, and WTO agreements all have restricted the capacity of nation-states (or regions) to follow their own national (or local) development strategies. It does mean, however, that the limits on state policy are to a significant extent self-imposed. Market

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imperatives certainly place limits on state policy, but there is no obligation to accept those imperatives. If we are prepared to question the social property and power relations that imposed global market imperatives in the first place, the scope of state action increases and there are indeed alternatives.

Globalization has to be considered not just as an economic regime but as a system of social relations, rooted in the specific capitalist form of social power, which is concentrated in private capital and the nation-state. What globalization basically means is that the market has become increasingly universal as an economic regulator; and as the scope of the market widens, the scope of democratic power narrows: whatever is controlled by the market is not subject to democratic accountability. The more universal the market becomes as an economic regulator, the more democracy is confined to certain purely "formal" rights, at best the right occasionally to elect our rulers; and this right becomes less and less important as the domain of political action is taken over by market imperatives. So the more globalized the economy becomes, the less possible it is for socialists just to tinker with economic policies. The more global the economy, the less possible it is for socialist *economic* policy to avoid *political* contestation over the social property relations of capitalism.

Finding an alternative to globalization, then, is as much a question of democracy in opposition to the imperatives of the market as it is of alternate development models. The alternative to globalization is democracy, not just in the sense of civil liberties or the right to vote but also the capacity to deliberate collectively as social equals about societal organization and production, and to develop self-management in workplaces and communities. Democracy in this sense is both a form of political organization and an alternative to the market as an economic regulator.[7]

The geographic expansion of production prompts, then, challenging questions for socialists about the space and scale of both economic activity and democracy. The replacement of market imperatives by democratic regulation means more than just the "democratization" of institutions like the EC, NAFTA, or even the IMF. It is quite clear that the "rational

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interest" of workers, peasants, and ecologists, North and South, entails taking a stand against globalization as it actually exists: globalization is an internationalism only of the capitalist class which is disrupting local communities and environments at a breathtaking pace. Progressives who call for international strategies to remedy the democratic deficits of existing international economic institutions have yet to demonstrate how this could possibly be anything but productivist and socially polarizing if the market itself is untouched.

Indeed, the imperatives of a capitalist market at the global level makes such an outcome inevitable *unless* the spatial expansion of democracy is matched by capital controls which more firmly embed production in national and local economies. How, then, can we plan production or begin a process of transition to democratic organizational forms at the global level?

Socialist Alternatives: Expanding Democracy, Controlling Production

The answer may be a dual, and somewhat paradoxical, strategy: expanding the scale of democracy while reducing the scale of production. Expanding the scale of democracy means changing the governance and policy structures of international agencies and fora, but also of extending the basis for democratic administration and self-management nationally and locally. Let us be clear here. Expanding the scale of democracy in any meaningful sense will entail a challenge to the social property relations of capitalism. To make collective decisions implies some democratic capacity, backed by the coercive sanctions of the state, to direct capital allocation and thus to establish control over the economic surplus. The point is to enhance, with material supports, the capacities of democratic movements (which will vary tremendously according to the class relations and struggles in specific places), at every level, from local organizations to communities up to the nation-state—so as to challenge the power of capital.

Reducing the scale of production means shifting towards more inward-oriented economic strategies, but also forming new economic relations of co-operation and control internationally.[8] The logic of the capitalist market creates a

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need for large-scale production, an obsession with quantity and size, to which all other considerations—of quality, of social need, and so on—are subordinated. The general objective of socialist policy should be to reduce the scale of production runs as the central economic objective putting other social considerations before quantity and size. Of course the massive material inequalities between nations mean that the general principle of reducing the scale of production will have to vary between developed and developing countries.[9] Certain major industrial sectors necessary to produce adequate levels of welfare will obviously need to be put in place. Scale economies will also be important in some sectors to achieve the most efficient plant size, to reduce inputs and environmentally damaging outputs. But the reduction of scale should remain the general guiding principle, in keeping with the socialist conviction that production should above all meet basic needs, foster self-management capacities, and adopt more labor-intensive techniques when capital-intensive ones, like chemicalized agriculture, have large negative environmental consequences. The present desperate levels of economic insecurity, the volume of contamination and resource use, and degradation of local ecologies in the developed countries have surely made clear that economic growth cannot be equated with human welfare in any simple manner.

This implies that socialist economic policy must take a strong stand in support of those institutional structures at the level of the world economy which favor alternative development models. There is a sound basis for this approach. The postwar period displayed a variety of models of economic development, in the diversity of Fordism in the North, import-substitution industrialization in the South, and the various "socialist experiments."[10] Even the attempt to impose a neoliberal homogeneity of development confirms that there is no single economic path: there is now a diversity of disasters across the North, the East, and the South. It is impossible for socialists to put forward alternatives unless it is insisted that there are variable ways of organizing economic and ecological relations, if only we create the political space for them.

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The objective of such a solidaristic economic policy can be summed up like this: to maximize the capacity of different national collectivities democratically to choose alternate development paths (socialist or capitalist) that do not impose externalities (such as environmental damage) on other countries, by re-embedding financial capital and production relations from global to national and local economic spaces.

Such an objective would entail, broadly speaking, control of open trade and diversity of inward-oriented economic policies. This strategy obviously does not do away with international fora or the need to democratize them. But democracy at this level would not be just a place where more accountable elected representatives meet to enlarge the space of the market. Instead, the purpose of international bodies would be to constrain capitalist social property relations and widen the space for democratic organizational forms and capacities.

For example, it is quite easy to envision these democratized agencies being mandated to co-ordinate and plan the institutional and material supports for alternate development models, planned trade, control of capital, and enforcement of ecological standards. This cannot be accomplished by some kind of "international civil society" or a "cosmopolitan democracy"—as some currently fashionable and rather vague formulations of the Left suggest. It can only be the result of specific national and local struggles for democratic control of space, solidaristically supported by international movements.

Alternate development equally requires a coherence between tax and welfare policies, collective agreements, the enforcement of environmental regulations and, to the maximum extent possible for ecological reasons, the maintenance of bio-regional zones. Neoliberalism and globalization have seriously damaged the internal coherence of virtually all national and local economies and ecologies. This is the madness in which mono-culture crops for export flourish while peasants starve and the bio-diversity of plant life is lost; national exports of computers attain record volumes but local schools cannot afford them; and long-established cultural institutions lack resources while global advertising budgets flourish.

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Socialist economic policy has always been—or ought to have been—redistributive not just in apportioning incomes among social classes but also in sharing out political power, the democratic capacity to direct sustainable economic activity. It is possible here, too, to identify strategies that re-orient institutions and resources against market imperatives. The redistribution of work simply to expand demand will neither absorb the unemployed nor be ecologically sound. A socialist policy should be directed at productivity advances that take the form of reducing work-time, spreading work, and equalizing incomes; a tax regime that will expand democratically controlled and egalitarian services where most job growth will occur; an industrial policy that expands employment on the basis of increased worker input and quality products; and market-modifying policies that control capital movements and plan capital allocation. The radical reduction of work-time, for example, might enhance ecological health and spread work within the existing power relations of capitalism. But if some of that reduced worktime is allocated to the administrative work of self-management it will also contribute to the long revolution toward socialism.

Utopian Capitalism, Realistic Socialism

This is a long way from where we are now. The configuration of the world economy that has evolved since the end of the postwar boom remains unstable: the structural asymmetries in the world payments system, the debt burden weighing down governments North and South, the uncertainty of currency markets, the strengthened hand of speculative rentier interests over state policies, and marginalization of large geographic zones form the ruined economic landscape of the 1990s. The policy of restraint adopted by OECD governments in the 1970s, in the initial response to the economic crisis, was meant to be only a minor period of correction in a quick return to a high-growth path; and the Volcker-Reagen shocks of the 1980s were supposed to inflict the short-term pain of adjustment in exchange for long-term gains of jobs and income. Now, under governments of varied political stripe, the

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long-term pain of austerity will only yield more long-term pain of austerity.[11]

The market imperatives in the world economy to compete or join the marginalized—for individuals, companies, state governments and, indeed, nation-states—have not yet led to depression and war like the "beggar-thy-neighbor" policies of the 1930s; that was how the last appearance of an unregulated world market ended. The multilateral trade agreements at least prevent this disaster from unfolding today. Yet the same competitive dynamic is being transferred to the "beggar-thy-working-class" cost-cutting policies that are actively being pursued by virtually all governments.

The imperative of "competitive austerity" leaves the world economy stagnant and, as every quiver of the stock exchange reveals, full of potential for rapid deflation. This imperative is what lies behind the spread of the North American model of development, with its income-splitting, insecure jobs, longer hours of work, and impoverishment of the public sector. It also means that the post-Fordism of the Japanese, Swedish, or German models advocated by social democrats are little more than intellectual phantoms.

In Raymond Williams's novel, *The Fight for Manod*, one of the characters grapples with the question of political alternatives to social decay, and decries the impasse which he presents as a specifically British disease but which today seems universal:

> The whole of public policy is an attempt to reconstitute a culture, a social system, an economic order, that have in fact reached their end, reached their limits of viability. And then I sit here and look at this double inevitability: that this imperial, exporting, divided order is ending, and that all its residual forces, all its political formations, will fight to the end to reconstruct it, to re-establish it, moving deeper all the time through crisis after crisis in an impossible attempt to regain a familiar world. So then a double inevitability: that they will fail, and that they will try nothing else.[12]

In just this way, neoliberal and social democratic economic polices are today utopian in the bad sense of the word: attempting to fashion an unregulated laissez-faire capitalism at the world level on the one hand, or trying to recapture the

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human side of capitalism of the postwar period on the other. The only alternative that is realistic, in the good sense of the word, is to try something else that begins with the actual social relations of power in capitalism while challenging them from within. History can hardly be on the side of an old tired social order which still imposes the imperatives of the market against all other needs, human and ecological.

NOTES

1. R. Reich, *The Work of Nations* (New York: Knopf, 1991), p. 9.
2. F. Scharpf, *Crisis and Choice in European Social Democracy* (Ithaca: Cornell University Press, 1991), p.274.
3. P. Anderson, *A Zone of Engagement* (London: Verso, 1992), p. 367.
4. R. Kuttner, *The End of Laissez-Faire* (Philadelphia: University of Pennsylvania Press, 1991).
5. "The Myth of the Powerless State," *The Economist*, October 7, 1995, p. 16. They were, of course, warning of the dangers of state intervention.
6. L. Panitch, "Globalisation and the State," in R. Miliband and L. Panitch, eds., *Social Register 1994: Between Globalism and Nationalism* (London: Merlin, 1994), p. 87.
7. On democracy as not only a political form but an alternative to the market as an economic regulator, see Ellen Meiksins Wood, *Democracy Against Capitalism: Renewing Historical Materialism* (Cambridge: Cambridge University Press, 1995), especially the Conclusion.
8. This discussion draws upon G. Albo, D. Langille, and L. Panitch, eds., *A Different Kind of State? Popular Power and Democratic Administration* (Toronto: Oxford University Press, 1993); R. Miliband, *Socialism for a Sceptical Age* (Oxford: Polity Press, 1994); and A. Lipietz, *Towards a New Economic Order* (New York: Oxford University Press, 1992).
9. Economies of scale here means long production runs. Other ways of increasing returns to scale are, in principle, possible, by combining flexibility, external organizational economies, and specialization.
10. The variability of economic development has, if anything, increased, now that the configuration of the world is no longer what it was in the classic age of imperialism. Capitalism is no longer a one-sided process emanating from the North—with the four "tigers" of Asia, the relative decline and trade problems of the United States, and national capitalists in many countries mobilizing against inward-oriented economic policies.
11. These shifts in direction can be neatly traced in the key OECD reports: *Towards Full Employment and Price Stability* (Paris: OECD, 1977); *Employment Growth and Structural Change* (Paris:OECD, 1985); and *The OECD Jobs Study* (Paris: OECD, 1994).
12. R. Williams, *The Fight for Manod* (London: Chatto and Windus, 1979), p. 181.

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IN DEFENSE OF UTOPIA

by MORRIS ZEITLIN

Many socialists have a knee-jerk reaction against the word "utopian" that comes from not quite comprehending the Marxian critique of the utopian socialists. Marx and Engels disputed not their vision of life in socialist society but their unrealistic belief that propaganda alone would bring it about. In their time the word "utopian" was synonymous with "unrealistic." But like many words in a living language, "utopian" has taken on new meanings since then.

To title his book in 1516, Sir Thomas More coined the word "utopian" out of the Greek *ou-topos*, meaning "no-place," a pun on *eu-topos* or "good place." Utopia pictured an imagined city-state of ideal order and dignity where institutions and policies were entirely governed by reason, in contrast to the polity of divided Europe of More's time governed by greedy feudal-commercial capitalist classes feuding over power and riches. More imagined a society rigidly controlled by rewards and punishments, creating material abundance by industrial production. Intuitively recognizing the social and technological changes emerging out of the craft production relations of his time he forecast, by way of fiction, the emergence of industrial capitalism.

Utopia thus became the ancestor of a new literary genre, the utopian novel. Many writers since More followed his example depicting a variety of desired futures, among them William Morris in his *News from Nowhere* and Edward Bellamy

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in *Looking Backward* forecasting, in late 19th century, a cooperative industrial society. These two classics in the utopian genre have imaginatively shown that there is nothing in human, social, and natural environments that cannot be ordered in ways to bring about material abundance, social security, and personal happiness.

Over time, lingual usage endowed "utopian" with new synonomous meanings: "wonderful," "romanticist," "hopeful," "daring," "something unattainable under present conditions," and lastly "a realistically possible social order that has not yet been tried." It is this last synonym of "utopian," implicit in Marxism, that seems to need a new defense and affirmation.

In Marxist literature of the nineties one notes a growing volume of thought given to changes in the economic structure of contemporary capitalism, less to those in its ideological superstructure, still less to changes in the working class, and least to what has been called the utopian aspect of Marxism—the cinderella of the socialist ball. Yet precisely the utopian vision implicit in Marxian theory had in the past drawn millions of the world's oppressed to socialist movements. Although their hopes have been dampened by recent reverses, they haven't been drenched. The ambers of the red fires that singed capitalism in the dawn of this century are kept alive by the gasses of its own decay, threatening to consume it the next time around. To tend and fan the smoldering hopes of oppressed humanity, we need to put across our socialist ideal in more inspiring ways than we have of late. We need to pierce the seductive bubbles and babble of dominant ideology better than we have. It is long time to make explicit the full brilliance of the utopian promises implicit in Marxism.

When one thinks of the great gifts they hold for humanity, one wonders why they have been kept modestly veiled. Just think of the immensity of these gifts to millions and millions of oppressed humanity:

Abolition of the right to exploit human labor for private profit and the end of demeaning subjection in the workplace;

The end of alienation from one's work, work turned into creative, fulfilling labor;

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The end of male domination over the female half of humanity and recognition of women's special function and needs in society;

Full economic, political, and cultural equality to oppressed peoples and races in a cooperative world;

Full and equal health, education, and cultural opportunities to the world's children and youth everywhere on Earth;

Healthful and beautiful cities amid revived nature for all humanity's habitats;

Full political empowerment to all people ruled by despots or made fools of by a sham democracy.

Here is a bottomless well of themes for thousands of heartening stories heralding the new age, telling how it may come about and to what heights of progress it may take humankind.

Think of the crowing, bragging, and brouhahas today's media would agitate itself into were its masters able to boast such promises. AIthough we don't have the wealth of its means, we do not lack ways to broadcast what socialism holds in store. And yet we don't. Why are we not heralding the world-shaking, heart-warming news of the coming of the socialist future when it begs to be blared from the rooftops? Why have we kept its promises implicitely bottled up in our theory? One must assume that theory can do no more than imply them.

That's not enough vision for the eyes of most people, even less to the image-hip eyes of today's young generations. To them, the socialist promise of a noble society needs to be explicitly clear. They need to *see* not only why humanity got into the capitalist dead end and how it can get out of it but see also, in full color, the promised future at the end of the road.

Marxist theory cannot show it alone, for it is limited by a boundary it cannot cross. Working strictly with facts and reason, it must refrain from predicting what it cannot prove lest it lose credibility as a science. And most people are turned off by its hard-to-follow abstract ideas. But fictional writing, having no such confines, is free to imagine, talk common sense, and reach, teach, inspire, and move masses of people.

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Moreover, critics have often admonished socialists for assailing capitalism on mainly political-economic grounds. People, they've said, do not live by bread alone; that they suffer moral as well as economic wrongs; that they are robbed of dignity and creativity; that they need a living environment conducive to love, respect, comfort, beauty and harmony; and that these needs come a close second to food, clothes, and shelter. Yet the socialist message vaguely promises their fulfillment once a socialist economic order is put in place. In politics, that vague promise of a future good life proved no match to the dominant ideology's daily beguiling seductions played up to pacify working people into acceptirg the exploitation and degradation inherent in its social system. Our political history has shown clearly enough that as long as capitalism can meet their minimum material needs and amuse and divert them, most people, inspired by no better alternative, will tolerate it and let it limp on in history.

If we are to move people to follow us to a socialist future, we need not only to articulate the wisdom of Marxist theory but also invoke the spiritual aspirations that dwell in human imagination. People will better grasp that the victory of socialism will bring the good life when its whys and hows are conveyed in the lively, easy language of the arts. Without a flight to the future on the wings of fiction, social science can seem to people as barren as fiction not based on science can seem a vain daydream. But combined—their power can be awesome.

Where lies the magic of utopian fiction? Largely in its exciting exploration, but also in its open democracy. For it takes readers to meet people like themselves, see their ideal cities, homes, and jobs, and hear them tell of their way of life, their social institutions, and how their ideal society was achieved. This enables them to judge whether the utopian "good life" seems good to them. If it does, they can go on to check whether the means used to achieve it seems right and likely to work for them too.[1]

Analytical writing lacks such facility, it does not lay itself open to democratic scrutiny. In fact, dimly visible to the larger society, theoretical circles are susceptible to inbreeding and

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dogmatic corruption. To sustain its own health, social science needs the democratic vigilance of thriving popular arts. Vivid and colorful, socialist arts can give socialist theory the wings it needs to fly wider and farther and teach more to more people more quickly than it can by itself. Fiction, for instance, can translate into the image-laden language that the millions speak what the precision-bound language of social science speaks to a relative few. Social science and the arts thus make fit yokemates for pulling working humanity out of the mire of decadent ideology onto the highroad to progress, social science showing why and how to transform society and the arts calling forth the will to do it.

Yet the socialist movement has long undervalued the arts. Focusing on the primary power of the economic structure over political life, it only half considered the influence of the ideological superstructure. This increasingly hurt the movement in the second half of the century as the progress and sweeping changes in industrial and information technology increasingly altered working-class life. The thinning ranks of production workers and swelling numbers of service, clerical and professional workers in the composition of the working class have been changing its ideological disposition. The militant class consciousness it derived from its industrial workers bucking their exploiters has been watered down by the ambivalence of the better educated workers detached from production and more easily influenced by dominant upper-class notions.

This requires a more adroit socialist contest for the minds of the modern working-class. We have to pierce the shining image of our ideal through the upper-class defensive smokescreen to gain the mass following that would make our ideal its own purpose and goal.

Today, in retreat, is a time to renew and prepare for the comeback; a time to regroup, rearm, and deploy to attack the inevitably weakening positions of the decaying old order. Today, while our social science sorts out the facts and explains what caused the collapse of Europe's socialist states, the task of absolving socialism of guilt by association falls equally on the shoulders of our arts. Socialist fiction can add its powers

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to probe into the tragedy, banish despair, and restore faith in the attainability of a cooperative society producing abundance and assuring peace, justice, and creative full lives. It can picture the future from different angles as well as illumine the principles of advanced social science in ways that both spark the mind and inspire the soul.

For socialist art to again take root and flourish as it did in the thirties, the socialist movement must provide adequate soil—the pages on which socialist writers and artists can publish their works and readers can have a wholesome cultural refuge to come home to. Until the time comes when a socialist art journal becomes viable, existing socialist journals might add literary sections for stories, novels, poems, reviews, humor, and graphics. That would, no doubt, also widen their appeal to a larger readership.

Let's lighten up and get colorful and imaginative. Let's breathe the joy of life into socialist thought and celebrate its ideal. Let's boldly build socialist castles in the air and inspire people to come and put political foundations under them. And let the bright future begin anew.

NOTES

1. Ruth Levitas, *The Concepts of Utopia*, (Philip Allan, 1990).

What is the meaning of human life, or, for that matter, of the life of any creature? To know an answer to this question means to be religious. You ask: Does it make any sense, then, to pose this question? I answer: The man who regards his own life and that of his fellow creatures as meaningless is not mearely unhappy but hardly fit for life.

—Albert Einstein

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DEMOCRACY AND HUMAN RIGHTS: CHINA AND THE WEST

by LI XING

The purpose of this article is to present theoretical and empirical arguments which try to transcend mainstream debates on democracy and human rights.

First, it argues that promotion of democracy and human rights has never been the main goal of foreign policy for the United States. Promotion of democracy and human rights is only a tool for global intervention in order to realize the U.S.-designed "new world order," just as anti-Communism was the tool during the cold-war period.

Second, it tries to develop the inherent contradiction between the concepts of democracy and human rights on the one hand and the existing capitalist world system on the other. The present world structure, which is divided into developed and underdeveloped, rich and poor, North and South, is itself the result of an undemocratic and nonhumanitarian process. The ongoing trend of world development characterized as global capitalism is not only driving off in a direction opposite to third-world democratization but is also beginning to challenge the existing democratic systems in the West as well.

Third, it explains the real problems in China-Western relations, especially Sino-U.S. relations, which have been clouded by the human rights issue. The deep-rooted problems in China-U.S. relations, I argue, are not democracy or human rights at all, but China's emerging power and its potential

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challenge to the unstable structure of U.S. hegemony within the international capitalist system.

From Protecting Dictatorship to Promoting Democracy

"We have 50 percent of the world's wealth but only 6.3 percent of its population. . . . In this situation we cannot fail to be the object of envy and resentment," noted George Kennan in 1949, the then-director of Policy Planning at the Department of the State, who was a leading architect of U.S. postwar foreign policy, especially the "containment" policy. "Our real task in the coming period is to devise a pattern of relationships that will allow us to maintain this position of disparity," he continued. "We should cease to talk about the raising of the living standards, human rights, and democratization. The day is not far off when we are going to have to deal in straight power concepts. The less we are then hampered by idealistic slogans, the better."[1]

Kennan's candid statement is highly instructive on two counts according to the opinion of many scholars: First, it indicates that the strategic objective of U.S. foreign policy during the Cold War was not so much to battle a "communist threat" as to defend gross inequalities in the international world order and the tremendous privilege and power this global disparity of wealth brought for the United States. Second, Kennan's statement indicates that democracy abroad was not a major consideration for the United States in the formative years of the post Second World War order.

Since the United States emerged from the Second World War as a dominant political, economic, and military power in the international system, it played a significant part in contributing to world economic development in the postwar era. For economic and political reasons the United States committed itself to the revival of a liberal international economy, an international division of labor that benefits the rich states.

Later on, the political and security ties between the United States and its principal West European and Japanese allies provided the political framework within which the liberal world market economy could operate with relative ease.

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Consequently, U.S. leadership and the alliance framework created a secure and stable basis for the development of global and economic relations. U.S. initiatives in the area of trade led to successive rounds of tariff liberalization. The U.S. dollar served as the basis of the international monetary system, while its foreign aid, direct investment, and technology facilitated the rapid development of advanced and of some less-developed nations. The United States undertook the leading role in the political and military mobilization of the industrial democracies, while providing an important economic stimulus to the West Europeans, Japan, and the East Asian NICs as subcontractors to the permanent war economy of the cold-war period.

Hence, U.S. policy makers had set up the strategic goal of conceiving, developing, and defending an international order largely under U.S.-led Western domination. Communist movements, class struggles, international conflicts, and transnational economic wars were viewed as "efforts to alter or preserve a position within the world-economy which is to the advantage or disadvantage of particular groups located within a particular state."[2] Thus, the perceived competition from the former Soviet Union, although important, was not the only driving force behind U.S. foreign policy. Anti-Communism was the banner that legitimated U.S. global interventionism during the Cold War. Yet behind the communist threat, there had always been another menace—a challenge to the "patterns of relationships" which underpinned domination by the U.S.-led core capitalist alliance in the existing international system.

The National Security Council (NSC) *Memorandum 68*, one of the key U.S. foreign policy documents of the postwar era, underlined two parallel tasks of postwar policy. One was to develop a "world environment in which the U.S. system can survive and flourish," and the other was to "foster the seeds of destruction within the Soviet System."[3] The *Memorandum* put it clearly: "Even if there was no Soviet Union we would face the great problem" of achieving global "order and security."[4] The ultimate concern of NSC-68 was not the Soviet Union,

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but the access of the United States and its Western allies to the raw materials, markets, and labor power of the Third World.

With this strategic objective behind its postwar foreign policy, the United States developed strategic alliances with states, albeit authoritarian or dictatorial. The lessons drawn from the triumph of the Chinese revolution pushed the United States to adopt foreign and economic policies that were to foster developmentalist, authoritarian, and anti-Communist states wherever possible. In Europe the Marshall Plan revived Western European industries within the shortest possible time. In East Asia, the central objective of U.S. postwar policy was basically the same as its goal in Europe: to revive the Japan-centered capitalist regional economies including South Korea and Taiwan. In order to achieve this aim, organized labor activities and opposition forces in these countries were suppressed with the support of the U.S. government.

Being the dominant world power after the Second World War, the United States used its military muscle to police the international order. It employed military force across its borders numerous times, and was embroiled in both large-scale wars in Korea and Vietnam and small wars, such as counterinsurgency campaigns and covert operations throughout Latin America, Africa, the Middle East, and Europe. The goal of these interventions was to protect and defend pro-U.S. authoritarian political and social arrangements in developing countries.

The United States promoted and supported a global political network of civilian-military regimes and outright dictatorships in Latin America, minority and one-party dictatorships of post-colonial elites in Africa, and repressive states in Asia. Authoritarian political and social arrangements were judged to be the most expedient form of assuring the stability and social control in the Third Word required for the free operation of international capital.

The anti-Soviet prism through which Kennan and his generation focused U.S. foreign policy shattered with the end of the Cold War. But another more invisible and continuous war, in which the fundamental objective is to maintain international asymmetries in an unjust global system will never

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end, even with the collapse of the Soviet Union. The only change is the methods and strategies for securing the objective. "Containing Communism," which legitimated U.S. global interventionism during the Cold War, has been replaced by "democracy promotion" and "human right protection" as a pretext for new international interventionism. This shift from "straight power concepts" to "persuasion" is a new component in the U.S. post-cold-war foreign policy—"democracy promotion."[5]

This new component as part of the U.S. "New World Order" ignores the fact that the main obstacles to democracy and human rights over the whole world are the inherent contradictions of the capitalist world system. These can be explained from three major perspectives: global economics, politics, and culture.

First, after Europeans "discovered" the outside world in the sixteenth and seventeenth centuries, the whole globe was conquered and ruled by the West. Europe's expansion overseas, which began with purely trading relationships, became an extension of the capitalist system of production as it developed at home. Through the slave trade, colonialization, "free trade," and global capitalism, there arose a division of world resources and labor increasingly beneficial to the First World (West) and exploitative of the Third World.

Today global income disparities grow wider and wider as seen from the distribution of the world GNP: "Between 1960 and 1989, the countries with the poorest 20 percent of world population saw their share fall from 2.3 percent to 1.4 percent. The consequences for income inequalities have been dramatic. In 1960, the top 20 percent received thirty times more than the bottom 20 percent but by 1989 they were receiving sixty times more."[6] These disparities become astonishing in terms of real consumption levels. "The North, with about one fourth of the world's population, consumes 70 percent of the world's energy, 75 percent of its metals, 85 percent of its wood and 60 percent of its food."[7]

The dollar debt which developing countries in the South owed the IMF was 9.5 billion in 1980 and 42.4 billion in 1986.[8] UNICEF points out that "as many as 650,000 children

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die across the Third World each year because of the debt."[9] The relations between the South and North severely limit the sovereignty of developing nations. Third World countries depend heavily on financial investment, loans and aid, technology transfer, market access, and economic experts from the North.

Therefore economic status is directly linked to the questions of democracy and human rights. Economic power is crudely used to isolate or silence hostile voices from Third World states in international forums.

Second, the unfavorable position of the South determines its limited political freedom at the global level. Within the United Nations Security Council, only one among five permanent veto-carrying countries is from the South (China). Major world conflicts, such as the Korean War, Vietnam War, and the Gulf War have demonstrated U.S. power over the UN Security Council. The continued imposition of elements of economic warfare against Iraq, Libya, and Cuba illustrates continued (if not unchallenged) hegemonic power of U.S. foreign policy.

If we look at members of the boards of the IMF, the World Bank, and other international economic agencies, very few are from the developing world. From the General Assembly to the Security Council there is no real democracy in the global system, and only the interests of the West carry weight.

Political power is closely associated with military power. When speaking of democracy and human rights, how much room for maneuver is there for the Third World in a situation where technology and fire power are concentrated in the hands of a few Western powers? The U.S. "Defense Planning Guidance" makes it abundantly clear that "it sees a world dominated by a single superpower whose military might would deter any challenger."[10]

Third, culturally speaking, the inferior position of the Third World in the global system can also be seen from the simple fact that the U.S.-led West dominates and controls global news, information, and culture. It has been estimated that about 90 percent of foreign news and information in the print media circulating in the world is controlled in one way

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or another by four news agencies located in the North.[11] These agencies together with hundreds of Western newspapers, television networks, and radio broadcasters provide news, information, and programs all over the world. CNN and Rupert Murdoch's News Corp. reach a substantial part of the Third World.

These Western media organizations are broadcasting their views and opinions to people both of the South and North on world events, on political and economic crises in developing countries, on Western political thinking, ideology, and social values. World events such as the Gulf War and the Tiananmen Demonstration among others were covered by the mainstream Western media in accord with a common position in which critical perspectives that are not in line with Western fundamentals are by and large ignored or dismissed.

On certain important issues, people everywhere are denied access to the facts. People all over the world are prevented from forming just and independent opinions, misled by media propaganda and by distorted facts and images. Ironically, a newly released documentary TV program[12] reveals that even the U.S. media themselves have often been denied the truth in order to protect the structure of lies told to the people by the U.S. government regarding its external wars.

Furthermore, the present "enlargement of democracy" and "promotion of human rights" by the West are in contradiction with a fundamental trend in the new global evolution. What we see today is that the multinationals (MNCs) are investing or moving productions to any place where labor costs are low and profits are high. This is the nature of capitalist development. For developing countries, the main advantage is low-cost labor that enables them to produce and export goods competitive on the world market. For MNCs, the long working hours for low wages is exactly the incentive for their interests in developing countries.

Hence the existence of human rights violations in developing countries must be largely understood as a consequence of the increasing extension and intensification of world capitalism. The suppression of labor in countries of the

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Asian-Pacific region is closely linked with the need to provide "favorable" conditions to MNCs. We should thus see these problems as a result of the capitalist process in the developed nations. Human rights violations in rapidly developing countries such as those in the Asian-Pacific region can thus be understood as being related to the recent evolution in the international economy. Take China, for example. It is a fact that human rights abuses under the banner of "preserving order" are aimed at maintaining the position of the ruling elements. But it is also undeniable that the state sees the necessity to maintain long-term stability and predictability of the system in order to attract much-needed foreign investment and technology. This is the existing reality in most Third World countries.

Democracy, Human Rights, and the Rules of the Game

The history of, say, Japan or Germany, teaches us that the rise of a sizable country to world power status within the capitalist world system has often led to war. With its sustained economic growth and rising military strength, China wants the world to acknowledge its new prominence in the established international system. Therefore, many Sino-Western confrontations concerning democracy and human rights stem from the fact that the West, especially the United States, finds it difficult to acknowledge China's emerging power, without painful realignment. The United States wishes to actively "engage" China on the condition that Beijing obeys the norms established by U.S.-led dominance of the international community. The U.S. administration by pressure and reward seeks to promote China's acceptance of these norms and facilitate its entrance into that community without fundamentally upsetting the system.[13]

If we view the current international system as a game, whereby each country outside the area of its judicial sovereignty is supposed to act within the international system according to the rules set up after the Second World War, and modified continuously since then, we can easily understand that, from China's point of view, it wants to be one of the rule setters rather than just a rule accepter. Many of China's actions

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in world affairs are interpreted by the U.S. as evidence that China does not want to obey the rules—such as Beijing's muscular military maneuver to back its diplomacy regarding Taiwan and the South China Sea, its alleged selling of M-11 missile technology to Pakistan and nuclear technology to Iran, its continuous nuclear testing, and its increasing military budget.

Therefore, one of the key issues facing the post-cold-war Western world is whether China will accept the rules as dictated by the United States. Much is at stake. China is already the tenth largest trading nation in the world with about $280 billion a year in global trade. It is also a major trading partner of the United States, with a bilateral trade of around $50 billion a year, with the United States absorbing a high percentage of Chinese exports. A permanent member of the UN Security Council, armed with nuclear weapons and having the largest world population, China's increasing political, economic, and military power is arguably among the greatest structural challenges to the emerging post-cold-war system of international relations.[14]

Such challenges are often spelled out by Western politicians as well as scholars in order to justify their political positions. Samuel Huntington argued that China was historically the dominant power in East Asia for 2000 years, and since 1850 it has been subordinated by the West and Japan. Accordingly this mythologized eternal and ahistorical China wants to resume what it views as its natural place in the world, and that will have destabilizing consequences.[15] Charles Krauthammer, in his essay "Why We Must Contain China,"[16] stated bluntly that although U.S. statesmen are not supposed to openly express "containing China," as an essayist he is not afraid of encouraging the U.S government to do so. "Containment of such a bully must begin early in its career. That means building relations with China's neighbors, starting with Vietnam." Krauthammer continues, "A map tells you the rest of a containment strategy: (1)a new security relationship with democratic India, (2)renewing the U.S.-Japan alliance, (3)cozying up to Russia." His statement draws an outline of a normally

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unspoken geopolitical calculation of U.S. policy towards China.

The up and down relationship between the United States and China since 1989 illustrates the tensions within the governing groups of both countries.

Since Mao declared that "China has stood up" on October 1, 1949, appeals to national pride and prejudice have long been a part of governing China, and the Communist regime has always wrapped itself tightly in the national flag. The Chinese leadership, especially the first Communist generation, has a particular image of the world shaped by a specific experience and interpretation of historical events. These include a profound sense of national frustration, exploitation, and loss, derived from the experience of the last 150 years.

Since the nineteenth century, Western colonialists carried out several wars against China, plundering its wealth and carving up its territory. Under the banner of "containing Communism," the United States sought to overthrow China's Communist government. Western intervention and pressure on China's internal affairs is regarded by the Chinese leadership as a continuous effort of imperialism to renew its lost political, economic, and cultural dominance. This sensitivity is magnified by the Chinese view of the West's involvement in its history. From the U.S.'s one-sided engagement in China's civil war, in the Korean War, in the Vietnam War, during the Taiwan-Mainland crises, and in the Cold War, China's leaders have felt entitled to a certain skepticism towards Western "humanitarian" claims.

Periodically, important voices in the West claim a moral obligation to force improvement in China's human rights situation. But their motivation is suspect. Not only China's rulers but many of their silenced opponents in China see the banner of "universal values" as a wedge in an imperialist assault such as the one that has recolonized and subjected Eastern Europe.

Conclusion

China's external relations with the West are closely associated with the century of humiliation. The difficulty

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facing China's rulers is that on the one hand they have sought national independence from Western political influence and on the other hand have sought to "catch up" with the West and modernize the economy through ever deeper integration with the capitalist world market.

As for the U.S.-led West, a crucial question is whether the post-cold-war policy of promoting democracy and human rights in developing countries can be pursued for its various benefits without adversely affecting the economic interests within the North-South division and its core status in the world system.

As long as the world is polarized into North and South, core and periphery, rich and poor, there will be no universal understanding of democracy and human rights. Democracy and human rights perversely can be made into tools to reproduce the poverty and exploitation that renders them meaningless in practice. In a nutshell, this is a dilemma facing democrats and human rights activists both in the Western world and in the Third World. A true advance toward democracy and human rights in China will not come about through pressure from the foreign policy of the United States but from a renewed struggle for socialism by the Chinese workers and peasants themselves.[17]

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BOOKS

Challenging the Bourgeois Paradigm

by Colin Barker

Ellen Meiksins Wood, *The Pristine Culture of Capitalism: A Historical Essay on Regimes and Modern States*, (New York: Verso 1991), $18.00; *Democracy Against Capitalism: Renewing Historical Materialism*, (Cambridge 1995), 312pp., $18.95.

These two volumes of essays are full of riches, and a limited review cannot do them adequate justice. The subject matter of *Pristine Culture* is, at first glance, the pattern of English history. England experienced the first full-blown development of capitalism. Far from being as so many have suggested a "backward" society, it was the origin and source of the new capitalist order that imposed itself on and reshaped the whole world from the seventeenth century onward.

Grasping this fact is important, not simply for historians, but for the clarification of socialist theory more generally. Wood suggests there are two alternative readings of capitalism's emergence and development. One she terms "the bourgeois paradigm," and the other is the distinctive theory which the mature Marx developed after a long intellectual struggle.

The bourgeois paradigm was formed by the classical political economists like Adam Smith, and continues to dominate orthodox thought to this day. At its heart is the notion that capitalism, has always been with us, for capitalist principles conform to the deepest nature of human society, but in the past, its proper emergence was held back by artificial political fetters. In the Middle Ages, as towns

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and trade developed anew out of the ruins of the Dark Ages, a rising bourgeoisie gradually accumulated the means to challenge feudalism and release the already existing principles of modern society from the old chains.

Capitalism was always there, at least latently. Capitalism thus appears as a "long-deferred *opportunity* rather than a new and historically *specific imperative*," held back for many centuries by aristocratic privilege and communal restriction.

Thus what needs to be explained, in the bourgeois paradigm, is not how a new set of social forces and regulating principles came into being but how the obstacles to already existent capitalism were removed.

The bourgeois paradigm is characteristically elitist in its deep structure. One example must suffice. Max Weber, the anti-Marxists' favorite sociologist, examined Protestantism's role in helping a fully fledged capitalist culture to emerge. Weber's whole focus remained firmly on the capitalist class itself. What about the rest of society? If Protestantism promoted a new ethos of "saving" and "productive investments," where did the rising bourgeoisie get the resources they now "saved" rather than spent on luxuries? Who produced these resources for them, and how, and in what social relations? In Weber, the laboring majority simply disappears from view—as Wood shows in detail, in a stunningly clear critique.

The mature Marx's achievement was to challenge the "bourgeois paradigm" in all its variants. In both these books, Wood sets out to explore and defend the logic of Marx's argument.

Capitalism as a "mode of production," Marx argued, is a historically new and distinct form of human society. True, in both the ancient world and feudalism there were "capitalists." That is, there was trade and money, there were merchants profiting from buying and selling. But these, by themselves, were insufficient to establish *capital* as the ruling principle and regulator of society.

To understand a mode of production, Marx suggested, we must look to the very core of society, and specifically to the way that surplus is pumped out of the direct producers. In previous forms of class society, exploitation took a definite form. The characteristic dominant social relation was that between lord and peasant, with the peasant family laboring more or less under its own self-direction and compelled, by force, to hand over surplus products and surplus labor to its exploiters.

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In capitalism, by contrast, the dominant class relationship is that between capitalist and worker. The worker unlike the peasant is radically "dispossessed." Where the peasant family could sustain itself on the products of its own labor, modern workers cannot, for they lack direct access to the very means to live. They cannot feed themselves from their labor on the land, nor sell the products of their own labor, for they have access to neither land nor the tools and materials required for modern production. Instead, they must hire out the one thing they own—their "labor power," their human creative capacities—to employers in return for money wages, which they can spend purchasing the means to satisfy their needs. The principles of the market, money, exchange, profit, and the like thus penetrate into the very inner fabric of capitalist society in a way that was simply not true for earlier forms of society. The key to the emergence of capitalism was something new: the creation of this radically dispossessed figure, the wage worker.

Capitalism is not found throughout history. It is a new and specific form of society, with its own distinctive social relations and developmental tendencies. But if this is so, how did this quite new societal form emerge?

Here Wood draws on the work of the American Marxist historian Robert Brenner. In essence, capitalist social relations were the unintended outcome of a fierce struggle, not between a rising urban bourgeoisie and an increasingly effete feudal aristocracy, but essentially between lords and exploited peasants in the European feudal crisis of the later Middle Ages. In much of Europe, peasant struggles were defeated, but only through the aristocracy's subordinating itself to absolutist monarchies and sharing the fruits of exploitation with them. The peasants remained in day to day control of production, but now subject to the demands of both rent-extracting landlords and tax-demanding states. Capitalism did not appear here. But in England, the outcome was different: here the peasants broke free of serfdom, but lost ownership rights in the land they worked. England's aristocracy converted itself, increasingly, into a class of commercial landlords, renting its land to capitalist tenant farmers who in turn hired a newly dispossessed rural workforce as wage laborers. The whole "primitive accumulation" of capital, the starting point of capitalist development, rested on the dispossession of the proletariat, above all in the English countryside.

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This specific outcome underpinned England's surge to dominance in the world, once English capitalist interests had secured for themselves—via the 17th century revolutionary struggles—a state form that positively encouraged the self-expansion of capital, or what was termed "improvement," in agriculture and industry alike. On the surface it might seem there was simple continuity with the feudal past: monarchy and aristocracy were preserved, the radical republicanism of the 17th century went underground. But the real content of the English state was capitalist through and through.

English capitalism, being the first, set a competitive challenge to all other states and ruling classes, compelling them—not least through its military strength—to adapt to the new conditions. Only the basis on which each of them was to do so was different from that in England. For one thing they now had to face the problem of "catching up" with more advanced and productive England; for another, in Europe at least, their drive towards capitalist production involved a conversion of absolutist state regimes into engines of capitalist development, and thus a more centralized, concentrated, and interventionist pattern of development.

From this starting point Wood explores a number of interconnected historical, theoretical, and political themes. Most immediately, in *Pristine Culture*, she criticizes various historians who have misinterpreted this whole sequence of development. She directs some of her sharpest fire at those who treat the current weaknesses of British capitalism as evidence of some flaw in early development, which maintained the dominance of "aristocratic" or "mercantile" interests. British capitalism faces a crisis of stagnation, but its difficulties are the product of the advanced character of modern capitalism, and, anyway, not peculiar to Britain. U.S. capitalism today is also marked by relative stagnation, but this can hardly be explained in terms of its feudal heritage!

Various essays in *Democracy Against Capitalism* develop some of the theoretical and political implications of the earlier argument. She provides splendidly clear critiques of technological determinist and Weberian theories of history. Equally excellent are her explorations of the logic of Marx's theory of "determination" (conducted via an exploration of the often unhappy notion of "base and superstructure") and of the Marxist theory of class struggle and class formation. In both these essays, she draws very fruitfully on

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the work of the late Edward Thompson. These essays reveal a passionate intellect at work, and are highly recommended.

In the second part of *Democracy Against Capitalism* she looks more directly at the political implications of her whole discussion of capitalism as a mode of production.

Ellen Wood is the author of an impressive earlier study of the foundations of Greek democracy, *Peasant Citizen and Slave* (1988). The basis of Greek democracy was direct rule by the peasant and artisan producers who constituted the majority of the city's population. Since in the ancient world exploitation was rooted in the political power of landowning classes the practical significance of "democracy" was a popular assault of the foundations of exploitation and class rule itself. However perverted by the institution of slavery, democracy was the true glory of Greece. If we were to translate the principles of ancient democracy to the world today, the term that would most closely approximate it would be, not modern representative democracy, but something like "direct democratic dictatorship of the proletariat."

"Democracy" today, in capitalist society has very different social implications. Far from a system of direct self-government by the people, modern "representative democracy" represents no challenge to the principles of class exploitation. The major decisions that shape people's lives are taken outside the framework of democratic decision-making, in a separate sphere called "the economy." Being a "citizen" doesn't protect the modern worker from being sacked, from speedup at work, from low wages and long hours, from tyrannical supervisors, etc. The major regulator of social life is the movement of capital, a set of processes quite outside popular control and decision. The central function of modern government and justice is the protection of property and contract, i.e. of the political-juridical foundations of capitalist society. Where Greek democracy combated social inequality, modern representative democracy underpins it. For the Greeks, "politics" was the highest form of social life; with us, it is a dirty business of lies, bribery, and chicanery. In Greece, property rights were subordinated to popular control and need; with us, the rights and powers of property come first, and governments themselves must adapt to its demands and movements.

Capitalism, at best, combines "formal democracy" with substantive exploitation. Note the "at best" in many states, the majority of the

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population lacks even formal democratic rights. Nor is "formal democracy" an age-old feature of capitalist societies: in the U.S., for example, the principle of "one person one vote" was only extended to many Black citizens in the 1960s, and millions of migrant workers do not even have that right, though they pay taxes.

Capitalism could only accommodate "democracy" by diluting its content, and crucially by excluding it from the whole sphere of "the economy." As a result, much of the real "political activity" by which working people do win improvements in their lives bypasses "formal democracy" and relies on "extra-parliamentary" forms of struggle and organization, whether in unions, protest movements, and so forth. Wood offers an incisive analysis of the way that the Founding Fathers carefully tailored the U.S. constitution in such a way that "the people" were distanced from political control.

Ellen Wood's argument is of importance for the revival of genuine Marxism, committed to the real extension of practical democracy to the self-government of the people in everyday life. A battle for real democracy must extend in two key directions. First, into the workplace, where those who control capital enjoy almost completely undisputed sway (Marx's phrase was "despotism") over those they hire to produce surplus value for them. But Marxism also demands the extension of popular democracy beyond the individual workplace and into the whole mechanism of economic life itself. The old socialist aspiration to a democratically planned economy, in which working people themselves decide what needs to be produced and how, offers the sole practical alternative to the present setup, where capitalist profitability is the key criterion of what is produced and distributed.

Yet such ideas are far from widespread among many of those who define themselves today as "radical" and "left-wing." If anything, much of the left has been busy, as Wood notes, conceptualizing away the very concept of capitalism in favor of the much more ambiguous concepts of "civil society," "identity," and "difference." What disappears from view in much contemporary radical thinking is a sense of the "totalizing logic" of capitalism's inner drives to competitive accumulation, and thus the coercive power of capital and the market. The left's current stress on "difference" and "pluralism" collapses it back into liberalism. In place of any effort to develop a general movement directed at transforming the roots of society's contemporary malaise, we have a proliferation of sepa-

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rate "movements" each of which, at best, acknowledges the moral right of the other to stake out its own ground. The modern left tends to deny the importance of general theorizing, and in practice denies the necessity of breaking out of the middle class ghettos in which many current movements have trapped themselves. The left has often come to substitute moralism for analysis, rendering itself ineffective.

One theme ties together all Ellen Wood's various essays: the need to understand the nature of capitalism, and its shaping power, in order to better combat it. These arguments are ones the left needs to grapple with, and mostly I find her deeply persuasive. If I have criticism, it is that her conceptualization of capitalism is itself perhaps too narrowly focussed. At the core of capitalism is a dual principle of separation and antagonism—labor is separated from the means of production (the basis of exploitation and class struggle), and property is separated from need (the basis of exchange, of money, of competition). Most of Wood's attention is focussed on the former of these antagonisms, on class and exploitation. Yet the second requires theoretical development along exactly the line that Wood herself indicates. All the categories with which we understand capitalism, she insists, are political in their implication. And she is correct. But this requires that we look more critically at the social and political basis of competition, the motor of the capitalist accumulation drive, and subject this to analysis too. It would be fascinating to see Ellen Wood, a political scientist of enormous acuity, turn her attention to this question with the same power she brings to bear on the other matters in these two important books.

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From Marx to Gramsci

by Michael Löwy

Paul Le Blanc, *From Marx to Gramsci, A Reader in Revolutionary Marxist Politics*, (Humanities Press, 1996) 350 pp., $22.50.

This book is a most welcome and needed introduction to Marxists politics from a revolutionary viewpoint. It is very useful both as a reader for students and activists, and as a guide for further lectures. Paul Le Blanc has brought together some of the key texts by Marx, Engels, Luxemburg, Lenin, Trotsky, and Gramsci, providing them with a substantial historical introduction. Of course, this choice is not accidental: it is based on the premise that these authors represent, in spite of their differences, a relatively consistent common orientation, both in theory and practice—an orientation referred to by Le Blanc as revolutionary Marxism and opposed by him both to the Marxist orthodoxy of the Second International (Plekhanov, Kautsky) and to the Stalinist version of Marxism-Leninism.

One can regret the absence of some texts—like Marx's historical writings on class struggle in France in 1848-52 or 1870-71 or Rosa Luxemburg's piece on the Russian revolution (1918)—but each selection is inevitably constrained by a given number of pages.

The reader is limited to the period 1848-1938, i.e. from the communist Manifesto to Trotsky's Transitional Program, and to European authors. American or Third World figures (such as José

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Carlos Mariategui) are not included. The so-called Western Marxists are also left out, on the ground—argued by Perry Anderson—that they remained "secluded in universities." In fact, some of the most important Western Marxists mentioned by Anderson, such as Georg Lukács and Antonio Gramsci, were active and committed revolutionists, and had little to do with academia. Fortunately enough, in the case of Gramsci, Le Blanc ignored Anderson's somewhat artificial classification and resolutely included him in the revolutionary Marxist framework. He could also have added Lukács's writings from the 1920s (before his reconciliation with Stalinism): extracts from the more directly political sections of *History and Class Consciousness* (1923) or of his *Lenin* (1924) book, which undoubtedly belong to the same orientation. But on the whole, his choice is a quite persuasive one—within the limits of the selected geographical area and historical period.

Of course, Le Blanc does not ignore the very significant differences among these authors. But he believes that these differences add up to a powerfully coherent whole, a cogent theoretical practical paradigm. One of the most interesting aspects of his historical introductions is precisely the attempt to highlight—against the usual interpretations—the similarities between, say, Lenin's and Luxemburg's views on "the organization question," or between Trotsky's and Gramsci's critique of bureaucratic centralism. Specific strategic contributions, such as Gramsci's concept of hegemony or Trotsky's theory of permanent revolution are analyzed as elaborations and developments of certain aspects of the common revolutionary Marxist framework rather than shifts away from it. This approach, which inspires both the introduction and the reader himself, is Le Blanc's most original contribution to the debate on the Marxist heritage, overcoming many old barriers inside the leftist culture.

The introduction is not a chronological overview of the historical evolution of revolutionary Marxist theory, but rather an attempt to briefly systematize its contribution in four decisive areas: capitalist development, the labor movement, revolutionary strategy, and the transition to socialism. Contemporary contributions to the interpretation of Marx (Theodor Shanin), Luxemburg (Norman Geras), Gramsci (Perry Anderson), or Trotsky (Ernest Mandel) are widely used. There is no real attempt to deal with post-1938 developments in Marxist theory, although brief references to

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Maoism, Cuban Marxism, British Marxist scholarship, and *Monthly Review* are offered.

Recent issues are taken up in the last chapter, "Does Revolutionary Marxism Have a Future?" Questions such as the destruction of the environment by the "growth of productive forces," or the importance of non-class forms of oppression (race, gender, etc) are mentioned, but the challenge they represent to the traditional Marxist framework is not really discussed: this is, in my view, the main shortcoming of this conclusion.

The key issue raised by Le Blanc is the failure of revolutionary Marxism in the late 20th century: the goals advanced by Marx, Engels, and their revolutionary followers, i.e. the overthrow of capitalism and the establishment of a worker's democracy, did not materialize. Worse than that, the partisans of revolutionary Marxism were reduced to a minority and to an often ineffectual presence in the socialist movement.

For Le Blanc, revolutionary Marxism provides the tools for understanding the Stalinist degeneration, and the ultimate disintegration of the Soviet state, as well as tools for resisting it, and for posing the alternative of a genuine socialist democracy. But, as he very honestly acknowledges, to use revolutionary Marxist concepts to explain why revolutionary Marxism failed to triumph in the 20th century "does not magically whisk away the fact that its project is in shambles." The answer to the question—has this tradition a future?—cannot be deduced from theoretical considerations: it depends on new developments in working-class consciousness and action.

An excellent annotated bibliography completes the volume, helping to make it a most useful tool of political enlightenment.

Find out just what people will submit to, and you have found out the exact amount of injustice and wrong which will be imposed upon them; and these will continue till they are resisted with either words or blows, or with both. The limits of tyrants are prescribed by the endurance of those whom they oppress.

—Frederick Douglass

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"Nice Work, But You Can't Get It"

by Michael Yates

Kevin D. Henson, *Just a Temp*, (Philadelphia: Temple University Press, 1996), 202 pp., $16.95; and Chris Tilly, *Half a Job: Bad and Good Part-Time Jobs in a Changing Labor Market*, (Philadelphia: Temple University Press, 1996), 228 pp., $19.95.

These books examine the two most common types of "contingent" work, that is, work in which the relationship between the employer and the employee does not assume any permanence or long-lasting character. Contingent work is usually taken to mean the sum of involuntary part-time workers, temporary employees, leased workers, independent contractors, and home workers. While exact data are not available, it is estimated that between one-fourth and one-third of all current employees are contingent, and the proportion is growing rapidly. Needless to say, the consequences of this growth are profoundly negative for the working classes. First, the growth of contingent work in and of itself lowers working class standards, since contingent workers make less money and enjoy fewer benefits than do permanent workers. And second, the absolute and relative increases in contingent workers must surely make the remaining permanent employees fearful that their jobs will soon change status.

While all labor market analysts agree that contingent work is accelerating, they do not agree on the reasons why. As might be expected, neoclassical economists believe that the increase reflects

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Michael Yates teaches economics at the University of Pittsburgh at Johnstown, and is the author of *Longer Hours, Fewer Jobs: Employment and Unemployment in the United States*, (Monthly Review Press, 1994).

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the individual preferences of a changing labor force. The labor force is increasingly comprised of women, and women have stronger preferences for contingent work than do men. That is, due to the special circumstances of women, such as child care responsibilities and second income earner status in families, they prefer working part-time or on a temporary basis, or at home. Employers, in turn, find it necessary to create jobs to match the preferences of the workers. A similar argument can be constructed for young workers, who are also over represented among contingent workers; they prefer greater flexibility because they are less committed to full-time employment, presumably the consequence of student status, late marriage, or smaller families. A variation on this theme is that fewer workers are now productive enough (poor schooling, inadequate parenting?) to hold permanent positions.

Both authors provide evidence against the neoclassical hypotheses. *Just a Temp* relies upon both the temporary work experiences of professor Kevin D. Henson and a set of structured interviews with a wide range of temporary employees. The responses of his informants buttress his own experience; the operation of the labor market is far from the neoclassical fantasy-land of free choices and optimal outcomes. Very few temporary workers freely choose this work. Rather, they become temps because their life circumstances force them to do so. Some are the refugees of corporate downsizing; some are divorced homemakers; many temp to earn a living while they seek permanent employment; and some temp to eat while they pursue risky careers such as acting and writing. Even those few who temp for many years do so for reasons other than free choice or personal shortcomings. As Henson describes the long-term temps he interviewed:

> ...those classified as lifers may be individuals who, though not unemployable, have experienced disappointments with the permanent labor market positions available to them. In other words, it's not that they choose temporary employment because it's wonderful and desirable, but that their permanent work alternatives are confining and unsatisfying. Long tenure may be a way of seeking horizontal variety, and thus tolerability, in otherwise unrewarding and low-status secondary labor market.

Henson's informants also give the lie to the alleged benefits of working on a temporary basis. For the most part, temps have little control over when they work or for whom. The uncertainty and vulnerability which temps face make it difficult for them to refuse assignments. While some jobs, especially those in which a

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temp covers for a full-time worker on vacation or ill, are interesting and challenging, most are not. Temps are typically unhappy with their work and use words such as "boring," "monotonous," "repetitive," "routine," "tedious," "mundane," "menial," "awful," "horrible," "terrible," and "lonely" to describe their jobs. So much for the propaganda of the big temp agencies like Kelly, Manpower, and Olsten, which, by the way, enjoyed nearly $6 billion in revenues in 1990.

One especially insidious inference which Henson's interviews suggest is that temporary work provides a mechanism through which women are forced to lower their economic aspirations. Female college graduates begin their job searches with the same high goals as men. But they often find that the only jobs available are temporary clerical jobs (most temps are female, and most temporary jobs are clerical). Employers often offer them full-time clerical work, which they resist taking until the misery of temping wears them down.

Chris Tilly's study of part-time employment also utilizes informants, but in this case, he interviewed management personnel, primarily in two industries (retail and insurance) in two cities (Boston and Pittsburgh). The industries are both in the growing service sector, in which most part-time employment occurs. Tilly also performed standard statistical analysis to support his arguments. His major finding is that the considerable increase in involuntary part-time employment is employer-driven (as is the related problem of involuntary *full-time* employment). He argues that employers strive for low costs, flexibility, and predictability. In many companies today, employers see these goals as best achieved through the use of part-time employment. Certainly it is true that part-timers are cheaper, and this acts as a powerful incentive for their substitution for full-time workers. In retail, for example, the lower cost of part-timers even outweighs the cost of their lower productivity.

The characteristics of part-time jobs conforms closely to those of temporary jobs. In a few cases, notably in the insurance industry, employers do accommodate the wishes of workers who want to work part-time. This is because the employers do not want to lose certain highly skilled and expensively trained employees who cannot or will not work full-time. In most cases, however, part-time employees have what the author calls "bad" jobs. Most part-timers "have jobs involving less skill, responsibility, and training than their

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full-time co-workers....[They] have lower fringe benefits than full-timers and in some cases lower hourly wages as well." They also have higher turnover and not much hope of moving up any sort of job ladder.

II

Both of these books do a good job of describing the two most important types of contingent work. Both argue persuasively that these kinds of employment are going to increase and that this bodes ill for working people and for society as a whole. And both suggest a variety of public policies to reverse the trend toward contingent employment or at least to make it better able to support a decent standard of living. They recommend that fringe benefits such as health care and child care be publicly funded and that legislation guarantee contingent workers the same access to all benefits provided by employers and by the state to full-time workers. Full employment policies would give all workers meaningful choices; the spread of inferior jobs can occur only in an economy which generates so much underemployment. The labor laws should be changed to give equal protection to contingent workers; for example, the National Labor Relations Board should not be allowed to arbitrarily deny contingent workers membership in bargaining units. Unions must adapt themselves to the reality of the modern workplace. They must make much greater efforts to organize temporary and part-time workers and they must tailor their organizing and bargaining to the needs of contingent workers. Geographical and occupational organizing will have to supplement or replace employer organizing if temporaries, who move from job to job, are to be unionized.

There are, of course, many obstacles to improving the lot of temps and part-timers, most of which are well-known. Not since the 1920s has the state been so thoroughly dominated by capital, and since the proliferation of contingent work serves capital's needs, it is not likely that public policy will suddenly become solicitous of the needs of contingent workers. The labor movement, despite signs of rejuvenation, is hardly in a position to aggressively organize groups of workers who are, in the best of circumstances, inherently difficult to reach.

Other obstacles are not so obvious. In *Just a Temp* Henson points out that the use of temporary workers creates a serious division in the workforce. The way in which temps are used and

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how they are treated by employers encourages full-time workers to feel superior to them. This, in turn, creates a natural resentment by temps toward permanent workers. Further, the dismal position of temps dictates that they develop "identity management strategies" to help them cope. Thus they try to "pass" as permanent workers; they tell cover stories to convince others that temping does not represent their true identities; and they lie to themselves by saying things like "at least I'm not a secretary" or "it's only for the day." These devices may salve their spirits, but their individualistic nature inhibits collective action.

III

The one major weakness shared by both books is the lack of a coherent theoretical perspective. Henson attributes the growth of temporary employment to the end of the long post-Second World War expansion and the ensuing corporate assault on labor costs. The "labor accord" between corporations and unions ended and employers gained a free rein to restructure labor markets to suit their cost-cutting mania. Tilly, on the other hand, places part-time employment within an institutional theoretical perspective. Firms are presumed to have multiple and not always compatible objectives. There are a number of types of labor markets available to the firms, and they choose among them to achieve their goals. Changing market conditions compel firms to place different weights on their objectives, and this, in turn, leads them to hire from different labor markets. For example, the shift in production from goods to services has made cost minimization more important because of the greater competitiveness of the service industries. The secondary labor market, dominated by contingent workers, then becomes more attractive to employers.

The problem with Henson's explanation is that it is incomplete; it is not fitted into any larger theoretical framework. Perhaps this is understandable since the focus of *Just a Temp* is more on the interaction between temporary work and the consciousness and behavior of the workers. Still, Henson seems amenable to a Marxist perspective, and it is a shame that he did not elaborate one in his book. With Tilly the problem is somewhat deeper. Capitalist markets are inherently competitive, and competition among capitals would appear to force firms to try as best they can to maximize profit and accumulate capital as rapidly as possible. Why not start from the premise that firms must accumulate capital, instead of

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from the rather murky proposition that they have multiple and potentially independent objectives? In addition, how is it that multiple types of labor markets come into being? Why not examine the capital-labor relationship and the need of capital to control the labor process to produce surplus value? Clearly in the use of contingent workers this is the case, so why not just say so? Institutionalists, from the time of Veblen, have provided many insights into the operation of capitalist economies. But they have no coherent theory of capitalism, one which begins with fundamental assumptions and generates empirically verifiable predictions. Tilly says that he is eclectic in matters theoretical. Unfortunately, while eclecticism may be fine in matters of taste, it usually leads to muddled theorizing.

(Continued from inside back cover)

practices usurped by managed-care organizations. Big business has taken over the medical field."

Historically, this is a process that has been repeated countless times as capital invades an area of the economy dominated by small entrepreneurs and independent workers. Once the process starts it rarely stops until all the workers and most of the small entrepreneurs have been proletarianized. This is what large numbers of doctors are experiencing now, and it is what is driving them in the direction of unionization. Not that unionization is likely to halt the process, but if successful it can ward off the worst consequences.

Unfortunately, proletarianization is not the only hazard that threatens the medical profession as a result of capital's onslaught. Another, rarely reported on, is loss of jobs and rising unemployment among doctors. The fundamental fact here is, as a recent study puts it, that H.M.O.s "control costs by skimping on doctors," just as big corporations control costs by skimping on workers. Currently the ratio of patients to doctors in H.M.O.s is 800-to-one, while for the population as a whole the ratio is 400-to-one. This means that a continued expansion of the managed-care organizations will produce a glut of doctors, mostly specialists in private practice scrambling for a shrinking number of jobs. These facts and much more come from a recent book which we highly recommend as the best and most up-to-date survey of the current health-care scene: *The Rational Option for a National Health Program* by Drs. David Himmelstein and Steffie Woolhandler, and journalist John Canham-Clyne, (The Pamphleteers Press, P.O. Box 3374, Stony Creek, CT, 06405 —Hardcover $17.95, Paper $9.95).

We would like to take this opportunity to acknowledge the assistance and commitment of our friend Richard Ray, whose generous donation of time and energy to our proofreading team has been invaluable.

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CORRESPONDENCE

A Socialist Movement?

R. F. Price

The attempt of the Editors, in the June 1996 issue of *Monthly Review*, to generalize the post-Second World War "socialist movement," especially its Social Democratic and Communist branches provokes many interesting and important questions. While exploration of all of them would illuminate the past, the more important ones are surely those which will enable us to do better in the future, to really make progress in realizing the dream of an alternative to capitalism other than the "common ruin of the contending classes" which seems to threaten so much of today's world. The need to clarify the possibility of an alternative is being repeatedly urged: István Mészáros (*Beyond Capital: Towards a Theory of Transition*, Monthly Review Press 1996); Ellen Meiksins Wood (*Democracy against Capitalism: Renewing Historical Materialism*, Cambridge University Press 1995); and now Kagarlitsky (*MR* 48. 2. 36: "Where are These Alternatives?"). But a concerted effort is required, a planned effort, if a viable and convincing alternative is to be provided.

One of the questions provoked is the sense in which those of us whose "commitment to socialism remains unshaken" may wish to see themselves as "the inheritors and continuators of the old Communist branch of the socialist movement." A major question here is the undemocratic nature of the Communist Parties. But they were not alone. The Social Democratic Parties, and indeed all political parties, have been fundamentally undemocratic in the sense in which Marx and Engels conceived of "the people acting for itself by itself" (Marx in Draper, 1971, p.130). That Marx was already under no illusions about parliamentary systems of mis-

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representative democracy is shown by his remarks on the Paris Commune (ibid, 200, "not a parliamentary body"), and his contrast of voters' choice of parliamentarians with employers' ability to "put the right man in the right place" and, significantly, dismiss them if they do not serve (ibid, 74).

The problem here is that both branches of the socialist movement, not to mention the Trade Union movement, failed to provide their members with guidance for actions which would lead towards an alternative to capitalism. When action was demanded it was defensive action, actions which would alleviate immediate evils of capitalism (loss of jobs, better pay, or even protest at government policy over, e.g., nuclear weapons). But however successful the action, capitalism remained, and often remained strengthened for being temporarily slightly less evil. History has surely amply proven that such struggles do not teach people about the possibility of a different society or the need to "make the revolution." One of our major problems is to conceive of actions which ordinary people can take today which will not only "force capitalism to make concessions to the needs of the people" but also move society forward towards Marxian socialism tomorrow.

One of the absurdities of capitalism today is that people are either overworked, often stressed out of their minds, or unemployed and differently stressed. The trade union, Social Democratic reaction to this state of affairs is to struggle for more employment and to try to safeguard what social benefits are still available. No one is talking about the old socialist dream of a world in which necessary labor has been reduced to a minimum and people have free time to devote to their own devices. Yet surely that is just what we do need to consider: just what are the socially necessary labor tasks and how these might be shared amongst members of a genuine socialist society? Were people to be convinced that it could be done, and if we could suggest ways in which to arrive at such a society from where we are now they might be willing to act. But in the absence of a convincing vision, and given the record of both Communist and Social Democratic Party-led societies it is small wonder that most people confine their activities to the near and clearer issues.

As well as an attractive and convincingly possible vision we need to think about how to present this to different groups of potential supporters. At the same time we might analyze more

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carefully just what the interests of different groups are which make them receptive or hostile to a socialist message and how this might be changed. Look outside the categories of "working class" and "trade unionist," categories usually considered potentially socialist; natural scientists are one category that come immediately to mind. While many are trained in areas which raise obvious demands for social responsibility (medicine and ecology, to mention two) there are professional pressures acting in quite different directions. Space exploration and its connections with military science and the connections of microbiology and the pharmaceutical industry are two examples. What has our vision of a socialist future got to offer such scientists that compares with the wealth and perhaps fame which they can hope to earn today?

One of the ways in which the necessary theory to guide practice might be more quickly evolved would be the opening up of the many Left journals to short contributions from readers. Of those I subscribe to, only *Monthly Review* make a practice of doing this. If contributions were kept short this might encourage both more focused discussion and wider participation, the last being especially desirable as a means of fostering democratic practice. It would also help if editorial guidance could combine with grassroots initiative to ensure that questions were followed up in depth and the range of questions explored was also broad.

Without conviction that there are alternative ways to organize socially necessary labor, to provide for the needs of people in a co-operative, equitable and democratically-decided manner, and to solve at least some of the current disastrous ecological and health problems which capitalism has generated, the Editors' suggestion that "the erstwhile two-branch socialist movement [has] become a single revolutionary socialist movement" is premature.

Public Radio

by Andrew Jay Tierman

National Public Radio (NPR) has grown into an empire, continually eating up the independent programming time of uni-

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versity FM stations across the United States on the premise that it provides unparalleled quality of "in-depth" coverage and other services that no ambitious station can deny its listeners. I submit that this is not true, that we hear far too much of the ilk of Linda Wertheimer, Cokie Roberts, Susan Stamburg, Noah Adams, John Itski, and their studied ignorance of structural understanding, and that college radio can, in lieu of NPR, actually produce in-house better if less finished programs—and can also obtain material from such sources as Pacific and FAIR that is more intelligent, thoughtful, and balanced.

I find the pillars of NPR to be suffocatingly smug. They toss around words and concepts such as "democracy" the same way the *New York Times*, Dan Rather, or the State Department would—not much differently from the Scholastic America world maps hanging in U.S. classrooms, designating what was apartheid South Africa as "democratic" (since they had elections in which socialists did not win, albeit the majority could not vote), while designating what was Sandinista Nicaragua as "totalitarian" (since the majority voted socialist—but now that the United States held a gun to their heads and they "cried uncle," of course, Nicaragua now qualifies as a democracy, although poor children cannot afford to go to school). The John Itskis are constantly using the terms and principles enunciated by the world of finance to describe the economy, as if they have an expert understanding. NPR commentators are capable of stating at one moment that in some poor nation's elections, one side's candidates seem to have a way of getting assassinated; but, at the next moment, things appear to be on course and the candidate who is best liked by the people will win—no mention of the fact that parties may actually stand for different interests in a conflict in which the stakes are the nature of the social system itself.

NPR personnel repeatedly declare themselves "well-balanced," for which they receive complaints from both the right and left. However, they prove utterly incapable of analyzing the polarity of those complaints. The right complains because NPR does now and then report that things like disappearances, torture, and mass killings occur. In other words, the right complains about any reporting that reveals the truth about its transnational relations. NPR, however, fails to demonstrate any learning about structural relations, continuing throughout its reporting to spout the terminology of those in power. Stamburg, Wertheimer, and Kineage have

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not even read Roland Barthes—or worse, if they know anything about critical theory, they affect the ingnorance of middle-class professionals. Thus, the left complains that NPR has failed entirely to present critical analysis which is balanced, while it arrogantly proclaims to do just that.

NPR appears not to know that the *Nation, Monthly Review, Socialist Review,* or any of a few dozen critical sources even exist. One can count on one's fingers the times a Michael Harrington or Michael Moore has ever spoken on NPR, while the daily diet presents arch-conservatives, putatively balanced, if at all, by half-competent hacks who cannot criticize conservatism without assailing liberalism out of the other corner of their mouths and whose seeming awareness of thought on the left ends with no better than that, skin-deep acquaintance with liberalism.

Meanwhile, our nation's colleges have been brow-beaten by NPR's greed to devour independent public air-time to the point of adding hour by hour "news-casts," as if these are necessary in addition to the several hours of *Morning Edition* and *All Things Considered* that already dominate the day, and in the case of the former I might add, contribute to the stressfulness of U.S. life, having destroyed the opportunity to wake up to the noble sounds of classical music.

Let us support public radio, in its myriad origins in U.S. communities and college campuses, independent of what has become an all consuming empire of self-satisfied, upper-middle class sensibility, smothering dissent and even political difference. Let us advocate the liberation of public radio from NPR. There is no reason that low-cost quality programming cannot be provided without the slavish devotion of local stations to what has become a calcified, blinded, hypocritical, and conventional national facility.

Liberty is meaningless where the right to utter one's thoughts and opinions has ceased to exist. That, of all rights, is the dread of tyrants. It is the right which they first of all strike down. They know its power.

—Frederick Douglass

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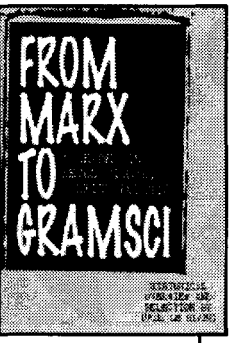
FROM MARX TO GRAMSCI

A Reader in Revolutionary Marxist Politics

HISTORICAL OVERVIEW AND SELECTION BY PAUL LE BLANC



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RE-EXAMINING THE CHINESE CULTURAL REVOLUTION

DECEMBER 14 • 15 1996

This year marks the 30th anniversary of the launching of the Chinese Cultural Revolution. The time has come for a serious re-examination of this historical event. Public discussion of the Cultural Revolution is still offically banned in China today, yet many Chinese people, having experienced real capitalism and the market orientation in action, are re-examining the Cultural Revolution.

Speakers include: William Hinton, Cui Zhiyuan, Maurice Meisner, Li Minqi, Arif Dirlik, Robert Weil, James Petras, Carol Hanische, and many others.

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(Continued from inside front cover)

Basically, the reason is that doctors have traditionally been a very conservative lot who would never dream of having anything to do with the labor movement. That now even a small group of them announces its intention to form a union and to affiliate with the AFL-CIO indicates a startling change of mind and attitude.

This is not to imply that no other moves in that direction have been made by members of the medical profession. The *New York Times* story mentions the following: "Local unions have been formed in Florida and California. The union of the American Physicians and Dentists in Oakland, California, has about 4 thousand members and is growing by about 15 percent a year....."

Against this background, it might be thought that the formation of a podiatrists' union is simply a small step in the same direction, and that may well turn out to be the reality. On the other hand, it also seems plausible to us that pressure and tensions have been building up in the medical community during the last few years to the point where something will have to give; and if that is in fact the case, the unexpected appearance of a full fledged union boldly joining the labor movement and, as the *Times* story says, hoping to combine their strength "with the muscle of the 40 million Americans in union health plans" might have the effect of breaking a log jam and setting various things in motion.

Behind all this unrest and activity a deeper process is under way which is most accurately described as the proletarianization of a work force. Proletarians are workers whose only source of livelihood is the sale of their labor power to employers who have inherited or saved or borrowed the necessary money. After the sale the proletarian loses all control over his/her labor power and must do the bidding of the employer. The only way proletarians can escape this complete dependency on their employers is to band together and refuse to deliver their labor powers except on conditions specified in a contract agreed to at the time of the sale.

That the proletarianization of the medical work force is indeed at the heart of current developments is clearly revealed in the *Times* story on the formation of the podiatrists' union. "With the rise of managed-care associations, the majority of Physicians are employees" said Jay Porcaro, organizing director for the New York-based Office and Professional Employees Union (with which the podiatrists will be affiliated). "These people are no longer independent contractors. Many are totally controlled by managed-care associations."

"During the news conference yesterday a dozen podiatrists spoke angrily about how the rise of managed care has affected their lives and their professions.... They charged managed-care plans were cutting their incomes, making it impossible to build a practice, reducing consumer access to health care, and running up huge administrative costs."

The president of the new union is quoted as saying that fast-growing managed-care associations "in effect have the power to dictate salaries, dismiss doctors, and set conditions of employment. In the last five years we the deliverers of health care have watched control over our professions and

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